



Is Dogecoin a Buy After Elon Musk's Recent Announcement?

Description

For months, **Dogecoin** ([CRYPTO:DOGE](#)) has been selling off after peaking last May, making some investors wonder if it's worth a buy.

The coin, which was initially created as a joke, has an incredibly strong community. The fanbase doesn't just stop there, though. It also includes well-known billionaires like Mark Cuban and one of the world's richest men, Elon Musk. There are a few things to note about Dogecoin, though, before considering investing.

Because it's used on its own blockchain, and because the Dogecoin blockchain is not smart contract compatible, all the coin is really used for right now is tipping. You can [transfer it to other blockchains](#) to use for DeFi, but there are so many other tokens to do that, including **Shiba Inu**, that it's likely not worth it.

If you're investing in Dogecoin, it's because you believe that it's one of the best cryptocurrencies to be used primarily for making payments and sending tips. And while Dogecoin is better than **Bitcoin** when it comes to its underlying technology, it's still nowhere near the best technology in the [cryptocurrency industry](#).

So, that's important to consider if you're looking at buying Dogecoin and taking a long-term position in the asset. Because it's not necessarily the best payment solution, and because it's been one of the most speculative coins in the space, Dogecoin has been selling off for months. That is, until recently, when Elon Musk made a significant announcement.

What was Elon Musk's announcement?

Last week, Elon Musk announced that **Tesla** merchandise could be bought with Dogecoin. This immediately resulted in Dogecoin prices skyrocketing and gaining 21% in just 11 hours.

This gain isn't necessarily surprising. Any time a coin has a new business accept it for payments or a new exchange lists it, it certainly gives it more value than it had before. But whether that's enough to

buy Dogecoin is another story.

Not only did the coin peak and begin to fall after gaining 20% in 11 hours, but it's also now trading just 1.7% above where it was when the announcement was made.

So, although the Elon Musk announcement gave Dogecoin some value, it certainly didn't add 20%. This goes to show how speculative Dogecoin still is. It also goes to show that Dogecoin would need to be accepted by a lot more businesses in order to be worth an investment.

What other cryptocurrencies are a better buy than Dogecoin?

With several other cryptocurrencies available that have far better technology, there are several better investments than Dogecoin, even with the coin trading down more than 75% from its high.

If you're looking for cryptocurrencies that could act as a payment solution, **XRP** looks like a much better choice. [XRP](#) is already a top 10 cryptocurrency by market cap and has a massive development team behind it.

But, in my view, the cryptocurrencies that have the most potential, at least today, are [blockchains with smart contract functionality](#), something Dogecoin doesn't have.

So, if you're interested in finding high-potential cryptocurrencies that could earn you a fortune, much like Dogecoin did for investors in 2021, I'd look for a high-quality blockchain network like **Ethereum** that you can buy and hold confidently for the long haul.

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